

Proposed Reserves

Administration is recommending the following reserves be approved.

Reserve Name	Description	Rationale for Proposed Reserve
Facility Lease Renewal & Replacement Reserve	<p>The City of Edmonton has various lease arrangements with tenants for lease of City facilities. Certain lease agreements require the tenant to contribute towards future replacement or renewal work required for the facility. This reserve will capture those contributions as per the lease agreement. Amounts will be withdrawn from the reserve to fund future renewal or replacement activities associated with the facility. The reserve will track funding, and use of that funding, by facility lease. Interest earnings would be applied to this reserve as it is intended to maintain future capital purchasing power.</p>	<p>Various lease arrangements exist between the City and tenants for utilizing municipal facilities. Depending on the lease terms and duration, tenants are required to contribute towards future replacement or renewal work needed for the facility. The City is currently reviewing its non-profit leasing policies and procedures, which may mandate similar contributions from tenants. This reserve will track and monitor contributions required through those agreements. Withdrawals from the reserve will fund future renewal or replacement activities for the facility in accordance with the lease agreements. The reserve will monitor funding, its utilization by facility lease, allowing the Administration more effective oversight and management of renewal work at those facilities.</p> <p>The City of Edmonton and the Citadel Theatre have entered into a 10-year lease agreement, commencing on October 1, 2024, with options to renew for either 2 or 5 years. The agreement stipulates that the Citadel Theatre will contribute a minimum of \$100,000 annually towards capital improvements, while the City will assume responsibility for replacement and renewal work. Comprehensive details of the lease terms are available in Attachment 1 of the City Council Report FCS02006 Citadel Theatre - Lease Approval (May 14, 2024). This reserve will manage the contributions from Citadel Theatre.</p> <p>Interest earnings would be applied to this reserve as it is intended to maintain future capital purchasing power.</p>
Edmonton Elections Reserve	<p>The reserve is established to manage operational surpluses and deficits related to the municipal elections. Municipal elections are held every four years, and must be planned and implemented according to provincial and municipal legislation. The costs to run the Edmonton Election are not uniform over the 4-year Election cycle and include a mix of one-time and ongoing costs. As a result, program surpluses and deficits are anticipated to be realized.</p>	<p>To address this inherent variability, Administration is recommending funding the Edmonton Election Program via a consistent annual tax levy contribution of \$3.1 million, beginning in 2025. This recommendation is included in the Fall 2024 Supplemental Operating Budget Adjustment report. The \$3.1 million estimate has been calculated to fully fund all Bill 20 related cost increases and provide full funding to administer the program through this budget cycle and into future budget cycles. With the approval of stable and consistent annual funding, Administration will no longer be bringing forward election service packages. These financial commitments will be managed within the annual funding envelope provided.</p> <p>To complement the annual funding increase, Administration is also recommending to manage the Program through a Edmonton Elections Reserve. In non-election years, the program budget will be deposited in the reserve, which will be drawn down and used when required during election periods.</p>